

DEPARTMENTAL BUDGET INFORMATION AUDITOR GENERAL (50)

MISSION

The mission of the Office of the Auditor General (OAG) is to act as an independent, full-service appraisal function to examine and evaluate the City's activities in order to improve the accountability for public funds and improve the operations of City government. We promote the economy, efficiency and effectiveness of City government and protect against fraud, waste and abuse by conducting independent audits, investigations and evaluations; by keeping the City Council and the Mayor fully and currently informed of our work; by committing to total quality; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty and integrity among OAG staff and the people we serve.

DESCRIPTION

The Office of the Auditor General performs audits of each City agency and prepares written reports which convey the resultant audit findings and recommendations to the City Council, the Mayor, and the management of each agency.

The Office of the Auditor General also performs special projects and other work, as requested by City Council, as initiated internally, or as required by City Code. Many of these projects result in formal reports or other communications to City Council. The Office also analyzes the Mayor's proposed City budget for City Council each fiscal year.

The annual financial audits of the City and its Federal financial assistance programs are performed by qualified outside auditors hired by the Office of the Auditor General.

The OAG has the responsibilities and authority, as stated in Section 4-205 of the Charter of the City of Detroit, to make audits of the financial transaction of all City agencies; to make a report of the financial position of the City after the close of each fiscal year; to investigate the administration and operation of City agencies; and to make reports to City agencies of irregularities of practice and erroneous accounting methods.

The OAG's primary responsibilities include the examination and evaluation of the adequacy and effectiveness of the City's system of internal control and the quality of performance in carrying out assigned responsibilities. This entails the following:

1. A review of the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
2. A review of the systems established to ensure compliance with those policies, plans, procedures, laws and regulations that could have a significant impact on operations and reports;
3. A review of the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
4. An appraisal of the economy and efficiency with which resources are employed;
5. A review of operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operation or programs are being carried out as planned.

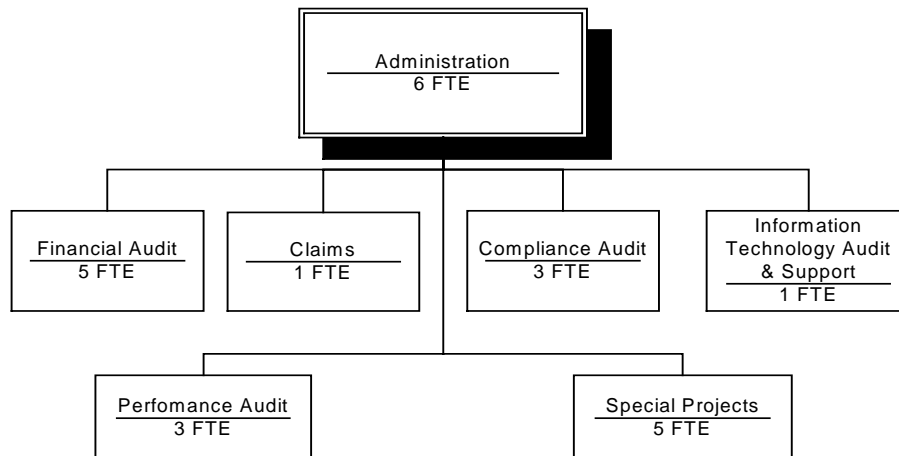
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MAJOR INITIATIVES:

The Office of the Auditor General's major initiatives planned for the fiscal year ending June 30, 2004 include a comprehensive report on the City's fulfillment of its healthcare mandate, a report on the Police Department's handling of the City's authorized towers, and an enhanced report on the City's financial position.

PLANNING FOR THE FUTURE:

One of the most important issues confronting the Office of the Auditor General is the dearth of proficiency among the auditors and the management team. The Auditor General will devote a significant amount of time during the year in recruiting and developing the audit team.



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PERFORMANCE GOALS, MEASURES AND TARGETS

Goals: Measures	2001-02 Actual	2002-03 Projection	2003-04 Target
Conduct Internal Control Reviews and/or operational/ performance audits and submit reports on related findings to the Mayor and to City Council: Internal Control and Performance Audit Reports submitted	4	7	6
Perform audits of financial transactions of City agencies and submit reports on related findings to the Mayor and to City Council Reports on Audits of Financial Transactions	2	8	8
Perform special projects, such as investigations, benchmarking, research, and City Council requests: Special Project Reports Issued	6	12	7
Hear and make decisions on all claims forwarded from the Law Department and communicate the outcome in a timely manner: Claims hearing	136	110	125

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EXPENDITURES

	2001-02 Actual Expense	2002-03 Redbook	2003-04 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 978,071	\$ 1,414,828	\$ 1,423,292	\$ 8,464	1%
Employee Benefits	468,555	704,479	824,368	119,889	17%
Prof/Contractual	1,737,116	783,519	600,000	(183,519)	-23%
Operating Supplies	17,699	13,000	17,600	4,600	35%
Operating Services	150,344	142,007	161,638	19,631	14%
Capital Equipment	655	15,200	17,000	1,800	0%
Other Expenses	72,993	33,500	16,750	(16,750)	-50%
TOTAL	\$ 3,425,433	\$ 3,106,533	\$ 3,060,648	\$ (45,885)	-1%
POSITIONS	15	26	24	(2)	-8%

REVENUES

	2001-02 Actual Revenue	2002-03 Redbook	2003-04 Mayor's Budget Rec	Variance	Variance Percent
Sales & Charges	\$ 969,452	\$ 200,000	\$ 200,000	\$ -	0%
TOTAL	\$ 969,452	\$ 200,000	\$ 200,000	\$ -	0%